



American Royal Complex / Kemper Arena Plan

Presentation to the City Council's
Planning, Zoning and Economic
Development Committee and Finance
Committee

November 13, 2014

Analysis Path

July 16, 2014

West Bottoms / Kemper Arena Overview to PZ&ED Committee

August 7, 2014

Kemper Arena - Foutch Presentation

August 14, 2014

Kemper Arena – American Royal Presentation

August 27, 2014

Kemper / American Royal Site Visit and Public Forum

October 8, 2014

Kemper Arena Status Report to PZ&ED Committee

October 16, 2014

City Council Business Session on Kemper Arena

October 22, 2014

TSE Consulting Presentation of Their Analysis of Foutch Project Business Plan to PZ&ED Committee

November 13, 2014

Joint PZ&ED / Finance Committee Meeting

Summary of Existing Plans



KCMO

Greater Downtown Area Plan



Urban Land Institute

Daniel Rose Fellowship – Redeveloping the West Bottoms



Kansas City Design Center

Reframing the City – A Vision for the West Bottoms

Adopted March 2010



Major Concepts

- Retain and Promote Safe and Authentic Neighborhoods
- Capitalize on Development Opportunities
- Create a Walkable Downtown through completion of gaps in the sidewalk system

Development Opportunities



DEVELOPMENT OPPORTUNITIES

The Development Opportunities Map identifies areas with the potential for larger development projects. Generally, these are areas where development is currently underway or being planned, or areas which make important connections or fill critical gaps. This map does not show the numerous opportunities for small infill projects or building renovations.



Supporting Recommendations

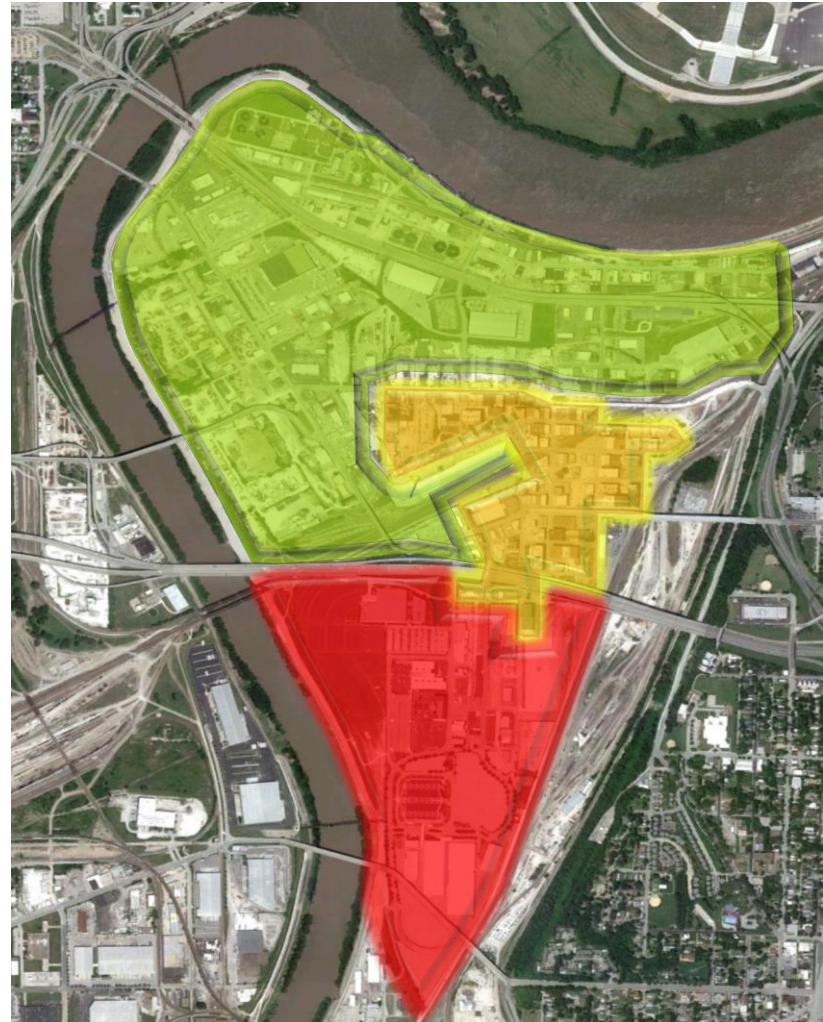
- Identifies the American Royal and Kemper Arena having targeted redevelopment potential.
- Designates West Bottoms as an area for mixed use, allowing it to grow organically and create a varied and vital urban fabric.
- Recommends changing future land use from Heavy industry to Downtown Mixed Use as opportunity for development of a new activity centers inclusive of office, residential, commercial and remaining industrial uses in the area.
- Identifies the Livestock Exchange and American Royal /Kemper Arena as iconic buildings or features in the plan area.
- Completion of sidewalks along 12th street overpass and American Royal Drive surrounding Kemper Arena and Wyoming Street leading to the arena to improve walkability.

Completed 2011-2012



Major Concepts

- Three major “districts” within West Bottoms
 - Industrial/Employment
 - Historic Core
 - Stockyard District
- Strategically and aggressively manage public assets in the West Bottoms, especially the Stockyard District, while engaging a broader range of regional stakeholders (public and private) in decision making.



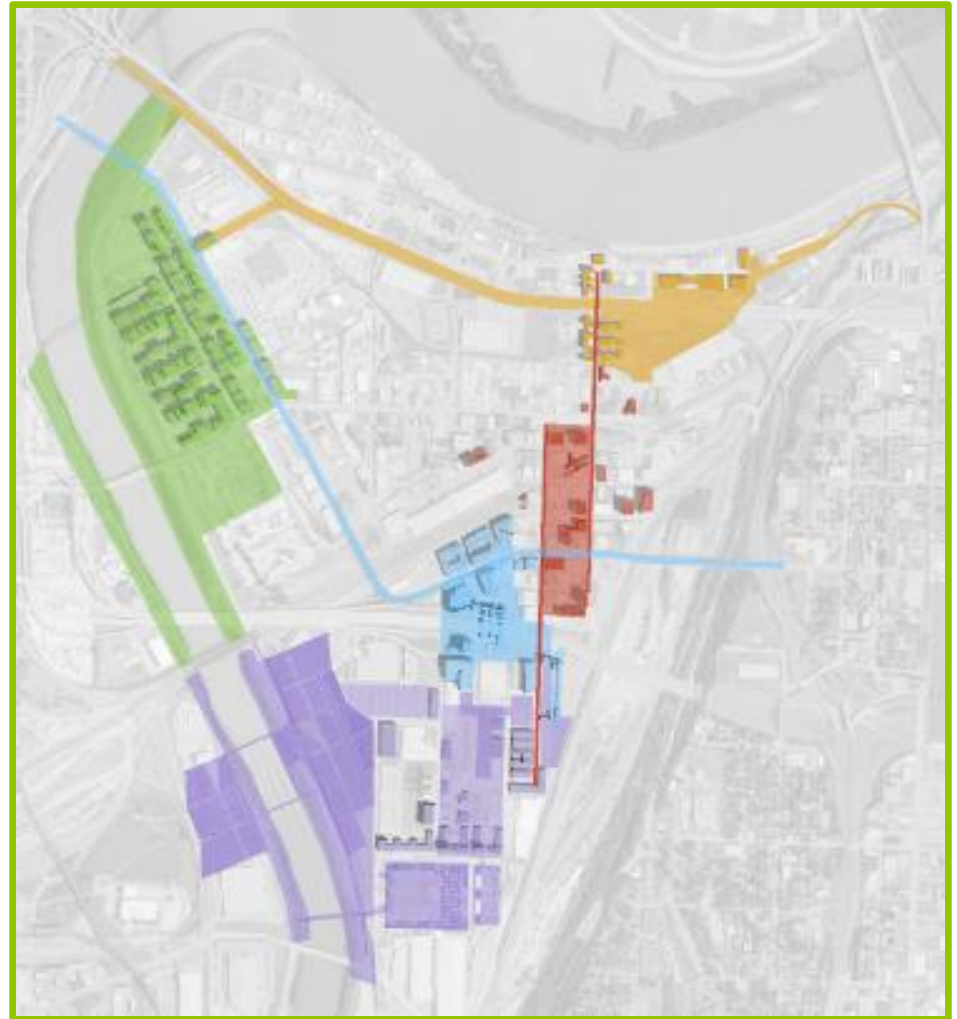
Supporting Recommendations

- Maximize the redevelopment potential of public land that will come available once Kemper Arena is closed and potentially demolished.
- Heritage and history; perception that its heritage is “bankable”.
- Seasonality of big events.
- Kemper conundrum.
- Seek to Use Present and expanded American Royal Facilities during non-use periods.
- Different strategies also needed for each sub-district.
- More visitor activities in non-peak timeframes.
- Build out physical structures of American Royal Complex.

Completed 2011

KCDC Major Concepts

- **Identified Five “Districts” within the West Bottoms**
 - Woodswether
 - Historic Core
 - Multi-Modal Transit Hub
 - Stockyards (Portion in Kansas City, Missouri)
 - James Street Redevelopment (not within Kansas City, Missouri)
- Identified Kemper Arena as a regional amenity for the city, but recognized its connection and purpose within the urban environment needs to be strengthened through repurposing as an outdoor amphitheater



Supporting Recommendations

- Recognize the significance and identity of the place
- Build off of the existing assets and potentials by augmenting, strengthening and activating them
- Connect to and participate in the wider city rather than existing isolated from the whole
- Reconnecting to the land
- A regional destination
- Kemper Arena
- Riverfront development

West Bottoms

Challenges/ Opportunities

- Blending various redevelopment plans of multiple property owners into a viable and sustainable portion of the City.
- Redeveloping historic industrial buildings into a commercial and residential mix.
- Blending a new development pattern and “theme” into an area divided by active rail lines, major viaducts, and industrial land uses.
- Accomplishing redevelopment in a bi-state cooperative manner.
- Riverfront access potential.

Cost Assumptions

- 30 Years
- Deferred Maintenance - \$24M
 - Annual Appropriation Bonds
 - A1 + 150bps
- Annual Operating Subsidy - \$1.6M
- Future Maintenance Obligations
- Existing Lease Obligations



Status Quo

Status Quo – NPV \$92.5M

	Status Quo					
	Operating Subsidy	Unrecouped Costs	ARC Def Maintenance	Kemper Def Maintenance	Capital / Maintenance	Total
Total	48,372,960	20,640,000	27,300,000	19,650,000	72,800,000	188,762,960

30 years

Operating subsidy

Unrecouped costs

\$14M City bond issue to address ARC def. maint.

\$10M City bond issue to address Kemper def. maint.

Future maintenance obligations

American Royal

Three scenarios

\$20M Contribution

\$25M Contribution

\$30M Contribution

AR \$20M – NPV \$35.4M

	ARC		
	Operating Subsidy	\$20M City Contribution	Total
Total	30,000,000	39,000,000	69,000,000

30 years

Operating subsidy

\$20M City bond issue

AR \$25M – NPV \$40.4M

	ARC		
	Operating Subsidy	\$25M City Contribution	Total
Total	30,000,000	48,750,000	78,750,000

30 years

Operating subsidy

\$25M City bond issue

AR \$30M – NPV \$45.3M

	ARC		
	Operating Subsidy	\$30M City Contribution	Total
Total	30,000,000	58,500,000	88,500,000

30 years

Operating subsidy

\$30M City bond issue

Summary Comparison of Costs

Plan	NPV @ 5%
Status Quo	\$92.5M
Status Quo w/o Def/Cap Maint.	\$35.4M
American Royal - \$20M	\$35.4M
American Royal - \$25M	\$40.4M
American Royal - \$30M	\$45.3M

City Considerations

- Planning Recommendations/West Bottoms Redevelopment
- Bi-State Economic Impact
- Current Annual Operating Loss
- Deferred Maintenance Obligations
- Limitations on Current Lease
- Preservation/Reuse of Kemper
- Degree of City Subsidy
- Long-term Financial Sustainability
- Other Citywide Capital Improvement Needs (Opportunity Costs)
- Impact of Tax Credit Approvals
- Comparative Economic Impacts

Next Steps

- Further Discussion with AR
- Obtain input from VisitKC
- Further Input from Stakeholders
- Comparison of Costs
- Identification of Potential Funding Sources
- Final Recommendation



Questions or Comments

Thank You